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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

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3 KAPLAN, INC. and MG PREP, INC.  
4 d/b/a MANHATTAN PREP

5 and MANHATTAN GMAT,

6 Plaintiffs,

7 v.

13 CV 1147 (JGK)-(HP)

8 TRACY YUN and MANHATTAN  
9 ENTERPRISE GROUP, LLC  
d/b/a MANHATTAN ELITE PREP,

10 Defendants.

-----x

11 New York, N.Y.  
12 April 22, 2014  
3:50 P.M.

13 Before:

14 HON. JOHN G. KOELTL,

15 District Judge

16 APPEARANCES

17 KENYON & KENYON  
Attorneys for Plaintiffs  
18 BY: MIMI RUPP  
HOWARD J. SHIRE

19 GERTNER MANDEL & PESLAK LLC  
20 Attorneys for Defendants  
21 BY: ARTHUR M. PESLAK

E4MDDKAPC

(Case called)

MS. RUPP: Your Honor, Mimi Rupp and Howard Shire of  
Kenyon & Kenyon for the plaintiffs, Kaplan and Manhattan Prep.

MR. PESLAK: Good afternoon. Arthur Peslak, Gertner  
Mandel & Peslak for the defendants.

THE COURT: All right. This is a motion to dismiss,  
so I'm familiar with the papers.

I will listen to argument. How much time do you want?

MR. PESLAK: Ten minutes, your Honor.

THE COURT: Ten minutes?

MR. PESLAK: Yes.

THE COURT: Okay.

MR. PESLAK: Your Honor, there's sort of one update  
that I wanted to give the Court about plaintiffs' trademark  
application for Manhattan Prep. There's a lot of briefing that  
went on back and forth on that.

My clients, through other counsel last week, filed an  
opposition proceeding in the Trademark Trial and Appeal Board.  
And I understand from counsel that the parties agreed to  
suspend the TTAB proceedings pending the resolution of this  
case. So, all the issues are before the Court at this time.

THE COURT: The prior decision of the office was  
reversed, right?

MR. PESLAK: Nothing was reversed, Judge. It was  
published for opposition, the mark, and we now filed an

E4MDDKAPC

1 opposition. I mean the examiner --

2 THE COURT: But the examiner originally rejected the  
3 mark, right?

4 MR. PESLAK: Oh, yes, you're correct.

5 THE COURT: And you had originally relied on what the  
6 examiner had done, and then that washed out?

7 MR. PESLAK: Essentially, correct. They converted  
8 their application to a 2(f) application, which is acquired  
9 distinctiveness, not inherently distinctive, and they allege  
10 that they continuously used the mark for whatever period of  
11 time. And that's what the examiner reversed the initial  
12 rejection on.

13 THE COURT: Okay.

14 MR. PESLAK: I understand that we're here on a motion  
15 to dismiss, and I think there is a narrow issue here upon which  
16 the Court can dismiss the case on a Rule 12(b)(6) motion.

17 As we know, Iqbal says that the plaintiffs have to  
18 plead a plausible cause of action.

19 They're alleging infringement of a mark, "Manhattan  
20 Prep," that's geographically descriptive, and upon which they  
21 have to prove it acquired secondary meaning prior to the time  
22 when my client adopted the mark. And we have a very, very  
23 short time period here.

24 THE COURT: About seven months.

25 MR. PESLAK: Right. They claim date of first use is

E4MDDKAPC

1 July 2011. My client's first use in commerce is February 2012,  
2 although we did adopt the mark and registered the domain name  
3 manhattaneliteprep.com in December 2011.

4 And I think that distinction for those couple of  
5 months applies to the cybersquatting claim, because that gives  
6 that claim an even narrower frame of reference for acquiring  
7 secondary meaning.

8 The only allegations in the complaint on secondary  
9 meaning are in paragraphs 32 to 40 of the amended complaint.  
10 And most of those allegations are either legal conclusions,  
11 which we know from Ashcroft v. Iqbal that the Court is not  
12 required to accept as true, or they're not directed  
13 specifically to the relevant time frame, which is July 2011 to  
14 February 2012.

15 And there are a series of factors that both sides  
16 cited from cases in their brief that the Court needs to  
17 consider, advertising expenditures for the claimed mark  
18 "Manhattan Prep," consumer surveys linking the mark to a  
19 source, unsolicited media coverage of the mark "Manhattan  
20 Prep," sales success, attempts to plagiarize the mark, and the  
21 lengthened exclusivity of use of "Manhattan Prep" by the  
22 plaintiffs.

23 When we go through what's alleged in the complaint in  
24 those few paragraphs, there is no reference to consumer  
25 surveys.

E4MDDKAPC

1           THE COURT: But why does the plaintiff have to allege  
2 all of the evidence that it would introduce to establish that  
3 the mark had obtained secondary meaning?

4           MR. PESLAK: I don't think they have to allege all the  
5 evidence, your Honor, but I think what they have alleged does  
6 not make for a plausible claim.

7           THE COURT: As I understood your papers, you argue as  
8 a matter of law that the time that existed between the time  
9 when the plaintiff adopts the mark and the time that you used  
10 the mark was insufficient as a matter of law for them to have  
11 obtained secondary meaning.

12          MR. PESLAK: That's correct.

13          THE COURT: But that argument is a very different  
14 argument from, gee, they didn't allege the specific amounts of  
15 the advertising revenue that they expended in that period of  
16 time, and therefore their allegations are insufficient under  
17 Iqbal and Twombly to show that they actually obtained secondary  
18 meaning.

19          They allege that they did various things and that they  
20 obtained secondary meaning for their mark. And you say in your  
21 brief that that's insufficient because there's no case out  
22 there that says seven months is enough to obtain secondary  
23 meaning.

24          That's a different argument from an argument that  
25 says, okay, as a matter of law, Judge, here is the minimum that

E4MDDKAPC

1 they have to allege under Iqbal and Twombly to show that  
2 they've obtained secondary meaning, even though they've alleged  
3 secondary meaning, they have to allege what their advertising  
4 revenues were -- what else do you think that they have to  
5 establish?

6 MR. PESLAK: Well, I think my -- maybe you  
7 misunderstood -- unfortunately, I didn't write the briefs,  
8 okay, and I want to make sure what I'm saying to your Honor is  
9 clear.

10 The argument in the briefs was, as a matter of law,  
11 that period is insufficient. And based on all these other  
12 cases, there's not a single case --

13 THE COURT: You think that's right?

14 MR. PESLAK: I do believe that's right because --

15 THE COURT: But just because there's no case, and I  
16 may disagree with that, but just because there's no other case  
17 that says, gee, in this case the plaintiffs' mark obtained  
18 secondary meaning in seven months, does it necessarily follow  
19 that the plaintiffs cannot, as a matter of law, establish that  
20 their mark obtained secondary meaning because the length of  
21 time was only seven months? That can't --

22 MR. PESLAK: I understand your --

23 THE COURT: -- that can't be, right?

24 MR. PESLAK: Right. What I was saying was, if you  
25 take the short period of time and the other things that they

E4MDDKAPC

1 allege, because the cases do say, your Honor has to consider  
2 the factors, okay, and Iqbal also says the Court has to use its  
3 commonsense and figure out what's going on here; but my point  
4 was when I look at what's alleged in the complaint there is  
5 really nothing else that fits into that time period, that short  
6 time period, of specific sales figures, advertisements,  
7 revenue, that sort of thing, okay.

8 Is there a case out there that says, just because it's  
9 only seven months the Court has to dismiss it? There is not  
10 that case out there. But the cases where secondary meaning is  
11 found are a much longer period of time.

12 There's even a case cited by the plaintiffs, which I  
13 think if the Court looked at the facts of that case, that was  
14 the New York City Triathlon case, and that was a case, a  
15 geographically descriptive mark, and it was a 10-year time  
16 period to obtain secondary meaning. And the other cases that  
17 we cite are much longer periods of time.

18 And the argument is that seven months just isn't  
19 plausible, when the Court looks at the other allegations that  
20 are there for secondary meaning.

21 Without secondary meaning, they don't have a valid  
22 mark, and the federal trademark infringement claim has to be  
23 dismissed. The long list, the state law claims, which also  
24 require some distinctiveness or secondary meaning in the mark,  
25 the federal cybersquatting claim has an even shorter time

E4MDDKAPC

1 window. And in that particular time frame, just when one looks  
2 at Iqbal, that says there has to be facts alleged to state a  
3 plausible claim, and before you get to any other trademark  
4 issues they have to have a valid trademark, and they could only  
5 get that with proof of secondary meaning, and they just don't  
6 have the allegations in there, your Honor.

7 THE COURT: Okay.

8 MR. PESLAK: Thank you.

9 MS. RUPP: Thank you, your Honor.

10 I'd like to clear up some discrepancies in the factual  
11 record.

12 As your Honor noted, the Trademark Office did overrule  
13 their initial rejection of the Manhattan Prep application and a  
14 notice of publication issued on November 27, 2013.

15 And we would have a registration certificate in hand,  
16 but for defendants' notice of opposition that they filed rather  
17 recently.

18 And to distinguish the cases, defendants didn't allege  
19 any cases where a court has granted a motion to dismiss based  
20 on, quote-unquote, a nonplausible amount of time where a  
21 trademark owner used the mark. The closest they came was a  
22 motion to dismiss case that's an unreported decision, and that  
23 was the Urban Group, and that's very distinguishable. Because  
24 in that case we were dealing with trade dress, and whether a  
25 trampoline that was red and black, whether they had adequately



E4MDDKAPC

1     pled secondary meaning. They did not have a trademark  
2     application. And, more unlike us, they did not have obviously  
3     a trademark application that was approved for publication where  
4     the Trademark Office has specifically ruled that we have  
5     acquired distinctiveness in the "Manhattan Prep" mark.

6             And I'd like to point out that defendants have  
7     completely ignored paragraph 33 where we have alleged that we  
8     have inherent DM, the "Manhattan Prep" mark is inherently  
9     distinctive. So they've completely ignored that allegation.

10            Secondly, they've ignored the allegation in paragraph  
11    113 where we have alleged acquired distinctiveness as of  
12    December 12th.

13            And I'd like to point out, Ms. Yun's former partner in  
14    the failed or, I guess, abandoned Manhattan Review business  
15    that's currently being litigated in the state action, she pled  
16    in her counterclaim argument where she brought a  
17    cybersquatting claim based on the manhattanreview.com domain  
18    name, she said that it was in violation of the federal  
19    cybersquatting Act, because the Manhattan -- I'm quoting from  
20    her counterclaim, paragraph 77, which is Exhibit L to the  
21    amended complaint, "Manhattan Elite Prep is an inherently  
22    distinctive mark and entitled to protection."

23            So, I find it incredibly hypocritical that she  
24    basically says our claims should be dismissed on a motion to  
25    dismiss, where she has alleged in a court of law that Manhattan

E4MDDKAPC

1 Elite Prep is inherently distinctive and she is bringing a very  
2 similar cybersquatting claim against her former partner based  
3 on his ownership of the Manhattan Review domain.

4 And there are cases where courts have found on a  
5 motion for summary judgment where secondary meaning was  
6 established in six months.

7 In this court, De Beers LV v. De Beers, and that's 440  
8 F.Supp.2d 249 (S.D.N.Y. 2006), there, secondary meaning was  
9 established in six months because the trademark owner had  
10 demonstrated or alleged, as it were, \$5 million in sales from  
11 two small retail stores in Manhattan.

12 As your Honor mentioned, the factors that go into the  
13 calculus of whether secondary meaning are nonexclusive, not one  
14 factor is more determinative than the other.

15 And this Court has said, attempts to plagiarize is the  
16 most important, if not conclusive. And here we have evidence,  
17 we have alleged, that basically as soon as we re-branded as  
18 Manhattan Prep, Tracy Yun, six months later, basically renamed  
19 her business with stolen assets allegedly from her partner as  
20 Manhattan Elite Prep, and she did that with a calculus to cause  
21 confusion.

22 And there's no dispute that her use of the infringing  
23 mark has caused quite a great amount of injury to students.  
24 And that's one of our claims, deceptive business practice. And  
25 we dispute their allegation that it isn't in the public

E4MDDKAPC

1 interest to protect students in this District.

2 THE COURT: All right.

3 MS. RUPP: And I would just like to summarize, your  
4 Honor, Rule 12(b)(6) is an improper vehicle to determine  
5 whether a trademark protection has been sufficiently alleged.

6 All plaintiffs have to do at this stage, as you know,  
7 is to allege a plausible basis to trademark protection.

8 There are courts who have dismissed trademark  
9 infringement actions at this stage. However, that's only been  
10 where they don't meet the liberal standard of a plausible  
11 allegation.

12 And I would direct your Honor to, I think, the Toho  
13 case in the Ninth Circuit, 1981, it's incredibly instructive.  
14 And there they ruled as a matter of law in that case, that was  
15 Bagzilla for garbage bags, and the movie studio that owned  
16 rights to the famous Godzilla character --

17 THE COURT: What was the date?

18 MS. RUPP: That was 1981, your Honor.

19 THE COURT: Long before Iqbal and Twombly.

20 MS. RUPP: Yes, your Honor.

21 But the result, I submit, would have been largely the  
22 same, just because in that case the goods and services were so  
23 different from a Godzilla character versus Bagzilla for trash  
24 bags.

25 And another case, more recent would be the

E4MDDKAPC

1 Mercedes-Benz case, that was 2011, in the Northern District of  
2 California. There, the plaintiff failed to even allege use of  
3 the allegedly infringing mark in the U.S.

4 So even on the face of the complaint, in that instance  
5 the motion to dismiss was well-founded. And here, we've met  
6 that standard, the very liberal standard of a plausible basis  
7 for trademark protection.

8 We also have alleged infringement of the "Manhattan  
9 GMAT" mark, and that's not something that the defendant  
10 addressed today. And we've been using that mark for GMAT  
11 products and services since 2000.

12 This year, I believe Manhattan GMAT is the largest  
13 provider of GMAT preparatory materials and courses.

14 And that's the thing, when you have that kind of  
15 market dominance, when you launch a new mark that basically  
16 bears allegiance to the mark that people are well familiar  
17 with, Manhattan Prep, and you already have those distribution  
18 channels, for example, we're the provider of GMAT preparatory  
19 services to Goldman Sachs, Deloitte, Google, and we already  
20 have those corporate relationships, so it was quite easy for us  
21 to establish secondary meaning in the "Manhattan Prep" mark.

22 THE COURT: Yes. You may well get over the motion to  
23 dismiss, but your ability to use the "Manhattan GMAT" mark may  
24 well be called into question based upon what your relationship  
25 to the GMAT people is, and whether you really have the right to

E4MDDKAPC

1 use that name, something which goes beyond the motion to  
2 dismiss, because it's plain that that correspondence was hardly  
3 part of your complaint. But, we shall see.

4 MS. RUPP: Understood, your Honor.

5 THE COURT: What is the real basis that you think you  
6 can use the GMAT name?

7 MS. RUPP: Your Honor, we were before you in Osbourne  
8 v. Iommi.

9 In that case, Sharon Osbourne and Ozzy Osbourne  
10 basically had exclusive control over the goods and services  
11 that they offered under the "BLACK SABBATH" mark.

12 Tony Iommi, who is a guitarist in Black Sabbath, had  
13 registered the "BLACK SABBATH" name in the USPTO. And as part  
14 of their motion to dismiss, they attached as an exhibit a  
15 19- --

16 THE COURT: No, I am --

17 MS. RUPP: Oh, sure.

18 THE COURT: I said, it goes beyond the motion to  
19 dismiss, I realize that.

20 I was just asking how you expect to get over that  
21 eventually.

22 MS. RUPP: Oh, sure. I was getting to that, and I  
23 apologize.

24 In that case, we were able to adequately plead, as  
25 here, that we have exercised exclusive control over the goods

E4MDDKAPC

1 that are under the "Manhattan GMAT" mark.

2 And likewise, we are the only ones who have exercised  
3 control over the quality of the goods and services that --

4 THE COURT: What does GMAT say about the use of their  
5 name as part of your name?

6 MS. RUPP: Under the 2004 letter, which again is  
7 beyond the scope of today's pleadings, we have a license to use  
8 Manhattan GMAT for certain products and services based on the  
9 plain language of that letter agreement.

10 THE COURT: And do they still think that's right?

11 MS. RUPP: Your Honor, I'll double-check with my  
12 client, but I haven't heard anything different.

13 THE COURT: No, that's all right. It goes beyond the  
14 scope of what I can consider on a motion to dismiss. Okay.

15 MS. RUPP: Thank you, your Honor.

16 THE COURT: All right. I'm prepared to decide the  
17 motion.

18 The plaintiffs Kaplan, Inc. and MG Prep, Inc. bring  
19 this action against defendants Tracy Yun and Manhattan  
20 Enterprise Group, LLC ("MEP"), alleging that the defendants  
21 infringed and misappropriated the plaintiffs' trademarks,  
22 "Manhattan Prep" and "Manhattan GMAT" (collectively the  
23 "Manhattan marks") by running a competing business under the  
24 name "Manhattan Elite Prep." The plaintiffs allege various  
25 causes of action under the Lanham Act and the

E4MDDKAPC

1 Anticybersquatting Consumer Protection Act, the (ACPA), as well  
2 as several causes of action under New York State law.

3 This Court has federal question jurisdiction under 28  
4 U.S.C. Sections 1331, 1338(a), and 1338(b) over the federal law  
5 claims, and supplemental jurisdiction under 28 U.S.C. Section  
6 1367 under the state law claims.

7 The defendants now move to dismiss the amended  
8 complaint pursuant to Rule 12(b)(6), or, in the alternative, to  
9 convert the motion to a summary judgment motion pursuant to  
10 Rules 12(d) and 56 of the Federal Rules of Civil Procedure.  
11 However, because the parties have not engaged in discovery and  
12 the plaintiffs have not had the opportunity to gather and  
13 present evidence and argument in opposition to a summary  
14 judgment motion, the Court declines to convert the motion into  
15 one for summary judgment. See Fargas v. Cincinnati Mach., LLC,  
16 No. 13 Civ. 4443, 2013 WL 6508863, at 1, (S.D.N.Y. December 12,  
17 2013).

18 In deciding a motion to dismiss pursuant to Rule  
19 12(b)(6), the allegations in the complaint are accepted as  
20 true, and all reasonable inferences must be drawn in the  
21 plaintiffs' favor. McCarthy v. Dun & Bradstreet Corp., 482  
22 F.3d 184, 191 (2d Cir. 2007); Arista Records LLC v. Lime Group  
23 LLC, 532 F.Supp.2d 556, 566, (S.D.N.Y. 2007). The Court's  
24 function on a motion to dismiss is "not to weigh the evidence  
25 that might be presented at trial but merely to determine

E4MDDKAPC

1 whether the complaint itself is legally sufficient." Goldman  
2 v. Belden, 754 F.2d 1059, 1067, (2d Cir. 1985). The Court  
3 should not dismiss the complaint if the plaintiff has stated  
4 "enough facts to state a claim to relief that is plausible on  
5 its face." Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570  
6 (2007). "A claim has facial plausibility when the plaintiff  
7 pleads factual content that allows the court to draw the  
8 reasonable inference that the defendant is liable for the  
9 misconduct alleged." Ashcroft v. Iqbal, 556 U.S. 662, 678  
10 (2009). While the Court should construe the factual  
11 allegations in the light most favorable to the plaintiff, "the  
12 tenet that a court must accept as true all of the allegations  
13 contained in a complaint is inapplicable to legal conclusions."

14 When presented with a motion to dismiss pursuant to  
15 Rule 12(b)(6), the Court may consider documents that are  
16 referenced in the complaint, documents that the plaintiff  
17 relied on in bringing suit and that are either in the  
18 plaintiff's possession or that the plaintiff knew of when  
19 bringing suit, or matters of which judicial notice may be  
20 taken. See Chambers v. Time Warner, Inc., 282 F.3d 147, 153  
21 (2d Cir. 2002). In particular, the Court may take judicial  
22 notice of official records of the United States Patent and  
23 Trademark Office (PTO). Telebrands Corp. v. Del Labs, 719  
24 F.Supp.2d 283, 287 n.3 (S.D.N.Y. 2010).

25 The Court accepts the allegations in the amended



E4MDDKAPC

1 complaint as true for purposes of this motion. The plaintiffs  
2 and the defendants run competing brands of preparation courses  
3 for various standardized tests, including the Graduate  
4 Management Admission Test ("GMAT"), Graduate Record  
5 Examinations ("GRE"), and the Law School Admission Test  
6 ("LSAT"). The plaintiffs have previously offered courses under  
7 the brand "Manhattan GMAT". Allegedly in July 2011, the  
8 plaintiffs adopted a new umbrella brand, "Manhattan Prep,"  
9 because they offered preparation courses for exams other than  
10 GMAT; the plaintiffs continued to offer GMAT courses under the  
11 brand "Manhattan GMAT."

12           Around December 2011, defendant Yun launched a  
13 business offering GMAT, GRE, and LSAT preparation courses and  
14 registered the domain name "manhattaneliteprep.com"; the  
15 defendants first used the mark "Manhattan Elite Prep" in  
16 commerce in February 2012. Consumers were already confused  
17 between the two brands. (See generally Am. Comp. at paragraphs  
18 41 to 58). The plaintiffs specifically alleged circumstances  
19 in which potential students mistook "Manhattan Elite Prep"  
20 courses for "Manhattan Prep," while purchasing the courses on  
21 Internet shopping websites such as Groupon or Gilt City.

22           The plaintiffs applied for registration of the  
23 trademark "Manhattan Prep" with the PTO on May 4, 2012 in an  
24 "intent-to-use" application under Section 1(b) of the Lanham  
25 Act, 15 U.S.C. Section 1051(b). The PTO initially denied

E4MDDKAPC

1 registration of the "Manhattan Prep" mark in September 2012  
2 because the mark was "primarily geographically descriptive of  
3 the origin of the plaintiffs' services." On March 14, 2013,  
4 the PTO further found that the mark had not acquired secondary  
5 meaning. However, the PTO subsequently reversed its decision  
6 and approved the mark for publication on October 9, 2013.

7 On August 1, 2012, about three months after filing the  
8 application with the PTO, the plaintiffs sent the defendants a  
9 letter demanding that the defendants cease and desist from  
10 infringing upon the "Manhattan" marks and that the defendants  
11 hand over the infringing Internet domain name. The defendants  
12 responded on August 8, 2012, claiming trademark rights superior  
13 to the plaintiffs' marks, as well as invalidity of the  
14 "Manhattan Prep" mark. The plaintiffs replied on August 29,  
15 2012, claiming superior rights based on the claims, plaintiffs'  
16 alleged use of the "Manhattan Prep" mark starting from  
17 July 2011. The present action was commenced on February 20,  
18 2013, following unsuccessful settlement discussions between the  
19 parties.

20 In addition to the alleged infringement of the  
21 "Manhattan" marks by Manhattan Elite Prep, the plaintiffs  
22 further allege that defendant Yun had previously infringed the  
23 "Manhattan GMAT" mark in conducting a similar  
24 preparation-course business named Manhattan Review, and that  
25 Yun had subsequently had a trademark dispute with her former

E4MDDKAPC

business partner at Manhattan Review.

To state a claim for trademark infringement under Section 43(a) of the Lanham Act, 15 U.S.C. Section 1125(a), a plaintiff must show that it has a valid mark entitled to protection and that "the defendant's use of its mark is likely to cause an appreciable number of ordinarily prudent purchasers confusion as to the origin, sponsorship, or approval of the defendant's product. Louis Vuitton Malletier S.A. v. Warner Bros. Entertainment Inc., 868 F.Supp.2d 172, 177 (S.D.N.Y. 2012). In their opening papers, the defendants have not argued that the amended complaint failed to plead consumer confusion sufficiently, but have instead focused their arguments on the validity of the plaintiffs' trademarks and the plaintiffs' standing to sue. A mark must be "distinctive" and not "generic" in order to qualify as a protectable trademark. Christian Louboutin S.A. v. Yves Saint Laurent American Holdings, Inc., 696 F.3d 206, 216 (2d Cir. 2012). For trademark purposes, terms or phrases are usually classified as, (1) generic, (2) descriptive, (3) suggestive, or (4) arbitrary or fanciful. In Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976).

"Generic terms are never entitled to protection. Suggestive, arbitrary and fanciful terms, on the other hand, are inherently distinctive and generally entitled to protection. Descriptive terms are not inherently distinctive,

E4MDDKAPC

1 but are nonetheless entitled to protection if they acquire  
2 secondary meaning in the marketplace." Paco Sport, Ltd. v.  
3 Paco Rabanne Parfums, 86 F.Supp.2d 305, 310 (S.D.N.Y. 2000);  
4 see also Abercrombie & Fitch, 537 F.2d at 9-11. Thus, "to  
5 qualify for trademark protection, an owner of a descriptive  
6 mark must demonstrate that the mark had acquired secondary  
7 meaning before its competitor commenced use of the mark."  
8 PaperCutter, Inc. v. Fay's Drug Co., Inc., 900 F.2d 558, 564,  
9 (2d Cir. 1990).

10 On this motion, there is no dispute that the term  
11 "Manhattan Prep" is not inherently distinctive, because the  
12 plaintiffs do not contend that the term "Manhattan Prep" is  
13 suggestive, fanciful, or arbitrary. Accordingly, the  
14 plaintiffs' term "Manhattan Prep" is protectable as a trademark  
15 only if it had acquired secondary meaning before the defendants  
16 commenced their use of the allegedly infringing mark in  
17 February 2012.

18 The defendants first rely on the PTO's initial  
19 determination in March 2013 that the mark had not acquired  
20 secondary meaning. However, as the plaintiffs correctly point  
21 out, that determination is now overruled and is entitled to no  
22 deference. See Lebewohl v. Heart Attack Grill, LLC, 890  
23 F.Supp.2d 278, 292 (S.D.N.Y. 2012). Thus, the PTO's initial  
24 determination carries no weight on this motion to dismiss.

25 The defendants next argue that the allegations

E4MDDKAPC

1 regarding the plaintiffs' commercial use prior to February 2012  
2 are insufficient. The plaintiffs allege that they adopted the  
3 "Manhattan Prep" mark in July 2011, and have "extensively  
4 advertised, promoted, and marketed" their courses and materials  
5 under the brand since that time. (Am. Compl. paragraphs 4, 34,  
6 68, 88). The defendants argue that these allegations are  
7 insufficient to establish commercial use before the defendants'  
8 commercial use of their mark, because such allegations do not  
9 specify which portion of the sales or advertisement expenditure  
10 occurred prior to February 2012. However, the defendants  
11 essentially raise a dispute of fact, and the Court cannot  
12 resolve a factual dispute on a motion to dismiss but must take  
13 the plaintiffs' allegations as true. With all inferences drawn  
14 in favor of the plaintiffs, these allegations are sufficient to  
15 plead extensive commercial use by the plaintiffs since  
16 July 2011 and prior to February 2012.

17 The defendants also rely on the plaintiffs' trademark  
18 application and assert that the application conclusively  
19 establishes the lack of commercial use of the "Manhattan Prep"  
20 mark by the plaintiffs as of May 2012, when the application was  
21 filed. However, nowhere in the application did the plaintiffs  
22 state affirmatively that they had not yet started to use the  
23 "Manhattan Prep" mark, and the only reference to the use of the  
24 mark was in the status page of the PTO website and was in  
25 regard to the basis of the application as a Section 1(b)

E4MDDKAPC

1 intent-to-use application. It is well-established that a party  
2 is not prohibited from filing an intent-to-use application for  
3 a mark that the party has actually used in the past, Stoller v.  
4 Sutech U.S.A., Inc., 199 F. App'x 954, 957, (Fed. Cir. 2006)  
5 (per curiam) (collecting cases); nor is an intent-to-use  
6 application precluded from relying upon actual use prior to the  
7 intent-to-use application in establishing priority. Corporate  
8 Document Services, Inc. v. I.C.E.D. Management, Inc., 48  
9 U.S.P.Q.2d 1477, 1998 WL 766713, at 3 (TTAB 1998). Thus, the  
10 fact that the plaintiffs filed an intent-to-use application in  
11 May 2012 does not show that the plaintiffs were not actually  
12 using the mark in commerce until after May 2012.

13 Even if the plaintiffs had taken a different position  
14 before the PTO, to the extent that the defendants argue that  
15 the plaintiffs are prevented from taking an inconsistent  
16 position in this case, no estoppel applies here. Although  
17 statements made to administrative bodies including the PTO may  
18 create judicial estoppel, see BeautyBank, Inc. v. Harvey Prince  
19 LLP, 811 F.Supp.2d 949, 958 (S.D.N.Y. 2011), "in general courts  
20 do not bind parties to their statements made or positions taken  
21 in ex parte trademark application proceedings in front of the  
22 PTO." Perfect Pearl Co., Inc. v. Majestic Pearl & Stone, Inc.,  
23 887 F.Supp.2d 519, 534 to 535 (S.D.N.Y. 2012). Moreover,  
24 judicial estoppel is applicable only if the prior inconsistent  
25 position is "adopted" by the tribunal in some way. DeRosa v.

E4MDDKAPC

1 National Envelope Corp., 595 F.3d 99, 103 (2d Cir. 2010). No  
2 records from the PTO show that the PTO adopted the proposition  
3 that the plaintiffs did not use the "Manhattan Prep" mark prior  
4 to May 2012. Accordingly, the plaintiffs are not estopped from  
5 making the assertion that they started using the "Manhattan  
6 Prep" mark before the defendants' allegedly infringing  
7 activities.

8 Finally, the defendants argue that, even assuming that  
9 the plaintiffs started using the "Manhattan Prep" mark in  
10 July 2011, the plaintiffs cannot establish secondary meaning as  
11 a matter of law because the mark would be in use for only seven  
12 months by the time the defendants began using the "Manhattan  
13 Elite Prep" mark in commerce. However, whether secondary  
14 meaning has been established is a question of fact. Each of  
15 the cases cited by the defendants was decided not on the motion  
16 to dismiss, but on a motion for summary judgment or after trial  
17 based on complete factual record. See Saratoga Vichy Spring  
18 Co., Inc. v. Lehman, 625 F.2d 1037, 1043 (2d Cir. 1980);  
19 Rockland Exposition, Inc. v. Alliance of Auto Service Providers  
20 of New Jersey, 894 F.Supp.2d 288, 297 (S.D.N.Y. 2012), as  
21 amended (September 19, 2012); Black & Decker Corp. v. Dunsford,  
22 944 F.Supp.2d 220, 227-28 (S.D.N.Y. 1996). Braun, Inc. v.  
23 Dynamics Corp. of America, 975 F.2d 815, 826 (Fed. Cir. 1992);  
24 Sports Traveler, Inc. v. Advance Magazine Publishers, Inc., 25  
25 F.Supp.2d 154, 166 (S.D.N.Y. 1998); Fraga v. Smithaven MRI, No.

E4MDDKAPC

94 Civ. 0030, 1996 U.S. Dist LEXIS 22016, at 4 (E.D.N.Y. 1996).

The defendants argue that a seven-month period is too short to establish secondary meaning as a matter of law even at the motion-to-dismiss stage. There is no support for that proposition. To the contrary, "there is no magic time span that confers secondary meaning." Rockland Exposition, 894 F.Supp.2d at 322 (citation omitted). It is not implausible for a mark to acquire secondary meaning within months in certain peculiar and extraordinary factual circumstances. See Maternally Yours v. Your Maternity Shop, 234 F.2d 538, 541, 544 (2d Cir. 1956) (secondary meaning within 11 months); Norma Lites v. Lawn Spray, 222 F.2d 716, 717 (2d Cir. 1955) (secondary meaning possible within a short time due to seasonal nature of the business); cf. L.A. Gear v. Thom McAn Shoe Co., 988 F.2d, 1117, 1130, (Fed. Cir. 1993) (finding secondary meaning for trade dress within six months). Commercial use for only seven months may well weigh heavily against finding secondary meaning on summary judgment or at trial absent extraordinary circumstances. See, e.g., Saratoga Vichy Spring, 625 F.2d at 1043; Sports Traveler, 25 F.Supp.2d at 166; Co-Rect Products, Inc. v. Marvy! Advertising Photography, Inc., 780 F.2d 1324, 1332, (8th Cir. 1985) ("We feel that in these circumstances 10 months is simply not sufficient time to establish secondary meaning in the marketplace."). However, these cases do not support dismissal at this stage without



E4MDDKAPC

1 discovery on the plaintiffs' purported use of the "Manhattan  
2 Prep" mark during the seven-month period. Accordingly, the  
3 plaintiffs' claim based on the "Manhattan Prep" mark cannot be  
4 dismissed on this ground.

5 With respect to the "Manhattan GMAT" mark, the  
6 defendants argue that the plaintiffs have no standing to  
7 enforce the mark. The defendants produced a letter agreement  
8 between the Graduate Management Admission Council ("GMAC") and  
9 the plaintiffs. The defendants argue that, because the letter  
10 agreement shows that GMAC owns the "GMAT" mark and that the  
11 plaintiffs had no trademark rights in "Manhattan GMAT," the  
12 plaintiffs have no standing to assert claims on the basis of  
13 the "Manhattan GMAT" mark.

14 "In adjudicating a motion to dismiss, a Court may  
15 consider only the complaint, any written instrument attached to  
16 the complaint as an exhibit, any statements or documents or  
17 documents incorporated in it by reference, . . . any document  
18 upon which the complaint heavily relies," and any judicially  
19 noticeable matters. In re Thelen LLP, 736 F.3d 213, 219 (2d  
20 Cir. 2013). Moreover, "a plaintiffs' reliance on the terms and  
21 effect of a document in drafting the complaint is a necessary  
22 prerequisite to the court's consideration of the document on a  
23 motion; mere notice or possession is not enough." Chambers,  
24 282 F.3d at 153.

25 The letter agreement in this case is not a document on

E4MDDKAPC

1 which the plaintiffs rely, let alone "heavily" rely, in the  
2 amended complaint. Therefore, without converting the present  
3 motion into one for summary judgment, which the Court has  
4 declined to do, the court cannot consider the letter agreement  
5 in adjudicating this motion to dismiss. See Allen v. Chanel,  
6 Inc., No. 12 Civ. 6758, 2013 WL 2413068, at 6 (S.D.N.Y. June 4,  
7 2013); Maloney v. CSX Transportation, Inc., No. 09 Civ 1074,  
8 2010 WL 681332, at 3, (N.D.N.Y. February 24, 2010).

9           The defendants next argue that the amended complaint  
10 fails to allege how the defendants infringed the "Manhattan  
11 GMAT" mark. Indeed, the allegations regarding actual consumer  
12 confusion caused by the defendants are all directed at the  
13 "Manhattan Prep" mark, not the "Manhattan GMAT" mark. However,  
14 likelihood of confusion, rather than actual confusion, is the  
15 requirement for a claim of trademark infringement. Lois  
16 Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867,  
17 875 (2d Cir. 1986); accord U.S. Polo Association, Inc. v. PRL  
18 USA Holdings, Inc., 800 F.Supp.2d 515, 531 (S.D.N.Y. 2011),  
19 aff'd, 511 F. App'x 81 (2d Cir. 2013). The plaintiffs do  
20 allege that they have made substantial expenditures on  
21 promoting the "Manhattan GMAT" mark. (Am. Compl. paragraphs  
22 31-33, 35-36) The plaintiffs also allege that the use of  
23 Manhattan Elite Prep infringes both "Manhattan" marks. (Am.  
24 Compl. paragraphs 80-84, 95-100, 102-03.) The court cannot  
25 dismiss these allegations on a motion to dismiss. Therefore,

E4MDDKAPC

1 the defendants' motion to dismiss the claims for trademark  
2 infringement and false representation and unfair competition  
3 (Claims I and II) is denied.

4 The plaintiffs also bring a claim for false  
5 advertising in violation of Section 43(a)(1)(B) of the Lanham  
6 Act, which provides a cause of action against anyone who "in  
7 commercial advertising or promotion, misrepresents the nature,  
8 characteristics, qualities or geographic origin of his or her  
9 or another person's goods, services or commercial activities."  
10 15 U.S.C. Section 1125(a)(1)(B). To state a claim for false  
11 advertising under the Lanham Act, the plaintiffs must allege  
12 either that "the challenged advertisement is literally false"  
13 or that "the advertisement, while not literally false, is  
14 nevertheless likely to mislead or confuse consumers." Turbine  
15 International, Inc. v. Hewlett-Packard Co., 769 F.Supp.2d 262,  
16 268 (S.D.N.Y. 2011).

17 The defendants argue that the plaintiffs' false  
18 advertising claim does not allege material misrepresentations  
19 about the nature, characteristic, qualities or geographic  
20 origin of the services and is a mere repetition of the  
21 trademark infringement claims. This argument is without merit.  
22 The plaintiffs allege instances of Internet promotion as well  
23 as deliberate misrepresentations by the defendants to  
24 prospective students in promoting the defendants' services.  
25 (Am. Compl. paragraphs 42-57). As the Second Circuit Court of

E4MDDKAPC

1 Appeals has explained, the defendants' improper marketing by  
2 creating the false impression of association between their  
3 services and those of the plaintiffs' is a false claim about  
4 the defendants' services and is "actionable as false  
5 advertising." Twentieth Century Fox v. Marvel Enterprises,  
6 Inc., 277 F.3d 253, 260 (2d Cir. 2002). Hence, plaintiffs have  
7 sufficiently alleged a plausible claim that the defendants' use  
8 of the "Manhattan Elite" mark in their advertisements is  
9 capable of confusing or misleading consumers. See Alzheimer's  
10 Disease Research Center, Inc. v. Alzheimer's Disease & Related  
11 Disorders Association, Inc., No. 13 Civ. 2013 3288, 2013 WL  
12 5960748, at 5 (E.D.N.Y. November 8, 2013). Accordingly, the  
13 defendants' motion to dismiss the Lanham Act false advertising  
14 claim is denied.

15 The plaintiffs also bring a claim for  
16 cybersquatting under the ACPA, 15 USA Section 1125(d). To  
17 state a claim under the ACPA, a plaintiff must allege that "(1)  
18 its marks were distinctive at the time the domain name was  
19 registered; (2), the infringing domain names complained of are  
20 identical to or confusingly similar to plaintiffs' mark; and  
21 (3), the infringer has a bad faith intent to profit from that  
22 mark." Gioconda Law Group PLLC v. Kenzie, 941 F.Supp.2d 424,  
23 430 (S.D.N.Y. 2013).

24 On a motion to dismiss, the Court should discount any  
25 conclusory allegations. See Iqbal, 556 U.S. at 678. The

E4MDDKAPC

1 plaintiffs have proffered only conclusory allegations in  
2 support of the ACPA claim. The plaintiffs have pointed to only  
3 three lines of conclusory allegations that the defendants  
4 registered a "confusingly similar" domain name "with the bad  
5 faith intent to profit" and "with full knowledge of plaintiffs'  
6 exclusive rights in the MANHATTAN PREP mark." (Pls.' Mem. at  
7 20; Am. Compl. paragraphs 113, 115, 116). No other allegations  
8 in the amended complaint give rise to an inference of "bad  
9 faith intent to profit" specifically from the infringing domain  
10 name. The allegation that the defendants infringed the  
11 plaintiffs' trademark in registering and using a confusingly  
12 similar domain name, in and of itself, is insufficient to  
13 establish the "bad faith intent to profit" under the ACPA. As  
14 another court in this district has explained, "the ACPA is not  
15 an all-purpose tool designed to allow the holders of  
16 distinctive marks the opportunity to acquire any domain name  
17 confusingly similar to their marks. Gioconda Law Group, 941  
18 F.Supp.2d at 437 (citation omitted).

19 Therefore, the plaintiffs' cybersquatting claim must  
20 be dismissed, because the allegations in the complaint  
21 regarding the defendants' use of the domain name simply show  
22 another aspect of the alleged trademark infringement, rather  
23 than an attempt to profit specifically from "squatting" the  
24 domain name with bad faith. These allegations do not suggest  
25 that defendants "perpetrated the core activities that threaten

E4MDDKAPC

1 to result in the paradigmatic harm that the ACPA was enacted to  
2 eradicate," that is, "the proliferation of cybersquatting - the  
3 Internet version of a land grab." See Lewittes v. Cohen, No.  
4 03 Civ. 189, 2004 WL 1171261, at 8 (S.D.N.Y. May 26, 2004)  
5 (citation and internal quotation marks omitted) (dismissing  
6 cybersquatting claim). Accordingly, the defendants' motion to  
7 dismiss the cybersquatting claim (Claim IV) is granted.

8 The plaintiffs also bring claims for trademark  
9 infringement, unfair competition, and trademark dilution under  
10 New York State law. "The elements necessary to prevail on  
11 causes of action for trademark infringement and unfair  
12 competition under New York common law mirror the Lanham Act  
13 claims." ESPN, Inc. v. Quiksilver, Inc., 586 F.Supp.2d 219,  
14 230 (S.D.N.Y. 2008) (citations omitted). The defendants'  
15 argument for dismissal of the common law trademark infringement  
16 and unfair competition claim mirror the arguments for dismissal  
17 of the parallel Lanham Act claims, namely, that the plaintiffs'  
18 mark had not acquired secondary meaning at the time the  
19 defendants adopted their mark. The Court has already rejected  
20 this argument.

21 The defendants also argue that the plaintiffs have not  
22 sufficiently alleged bad faith, as required for a common law  
23 unfair competition claim. See Pearson Education, Inc. v.  
24 Kumar, 721 F.Supp.2d 166, 191 (S.D.N.Y. 2010). The plaintiffs  
25 have alleged that the defendants adopted a highly similar mark

E4MDDKAPC

1 with full knowledge of the plaintiffs' mark and with the  
2 intention to profit from the goodwill of the plaintiffs' mark.  
3 (Am. Compl. paragraphs 5, 129). The plaintiffs have also  
4 alleged that the defendants, in answering telephone inquiries  
5 from prospective students, deliberately confused the callers  
6 and attempted to mislead potential customers into believing  
7 that they contacted the plaintiffs. (Am. Compl. paragraph 57).  
8 These allegations are sufficient to support an inference of bad  
9 faith at this stage of the litigation. See Peek & Cloppenburg  
10 KG v. Revue, LLC, No. 11 Civ. 5967, 2012 WL 4470556, at 6  
11 (S.D.N.Y., September 19, 2012). Pearson Education, Inc., 721  
12 F.Supp.2d at 191, 193. Therefore, the defendants' motion to  
13 dismiss the common law claims for trademark infringement and  
14 unfair competition (Claim VI) is denied.

15 The plaintiffs' trademark dilution claim is brought  
16 under Section 360-1 of the New York General Business Law (GBL).  
17 To prevail on a claim for trademark dilution under New York  
18 law, the plaintiffs must show "(1), that it possesses a strong  
19 mark, one which has a distinctive quality or has acquired a  
20 secondary meaning . . . and, (2) a likelihood of dilution by  
21 either blurring or tarnishment." Fireman's Association of the  
22 State of New York v. French America School of New York, 839  
23 N.Y.S.2d 238, 242, (App. Div. 2007). "Unlike federal trademark  
24 dilution law, . . . New York's trademark dilution law does not  
25 require a mark to be 'famous' for protection against dilution

E4MDDKAPC

1 to apply." Starbucks Corp. v. Wolfe's Borough Coffee, Inc.,  
2 588 F.3d 97, 114 (2d Cir. 2009).

3 The defendants argue that the plaintiffs' mark is not  
4 distinctive and has not acquired secondary meaning. However,  
5 as noted above, it is premature to draw such a conclusion at  
6 this stage of the proceeding. The defendants next argue that  
7 the plaintiffs have failed to plead likelihood of dilution in  
8 the form of either blurring or tarnishment. However, the  
9 plaintiffs allege that a large number of students came to  
10 associate the defendants' services with the plaintiffs', (Am.  
11 Compl. paragraphs 42-57), and that the defendants' services are  
12 of a different quality than the plaintiffs', (Am. Compl.  
13 paragraphs 11-12). These allegations are sufficient to "raise  
14 the possibility that the plaintiffs' mark will lose its ability  
15 to serve as a unique identifier of plaintiffs' services," and  
16 are therefore sufficient to state a claim under GBL Section  
17 360-1. Fireman's Association, 839 N.Y.S.2d at 242; see also  
18 The Name LLC v. Arias, No. 10 Civ. 3212, 2010 WL 4642456, at 8  
19 (S.D.N.Y. November 16, 2010); CommScope, Inc. of North Carolina  
20 v. Commscope (U.S.A.) International Group Co., 809 F.Supp.2d  
21 33, 39 (N.D.N.Y. 2011). Accordingly, the defendants' motion to  
22 dismiss the trademark dilution claim (Claim V) is denied.

23 The plaintiffs also bring a claim under GBL Sections  
24 349 and 350. Section 349 prohibits "deceptive acts or  
25 practices in the conduct of any business, trade or commerce or



E4MDDKAPC

1 in the furnishing of any service in this state." N.Y. Gen.  
2 Bus. Law Section 349(a). Section 350 prohibits "false  
3 advertising in the conduct of any business, trade or commerce  
4 or in furnishing of any service in this state." Id. Section  
5 350. Claims under Section 349 and Section 350 are similar: in  
6 order to state a claim under either provision "a plaintiff must  
7 allege that a defendant has engaged in (1) consumer-oriented  
8 conduct, that is (2) materially misleading and that (3)  
9 plaintiff suffered injury as a result of the allegedly  
10 deceptive act or practice." Koch v. Acker, Merrall & Condit  
11 Co., 967 N.E.2d 675 (N.Y. 2012) (citation and internal  
12 quotation marks omitted).

13 However, as the defendants have argued correctly,  
14 courts in New York have routinely dismissed trademark claims  
15 brought under Sections 349 and 350 as being outside the scope  
16 of the statutes, because ordinary trademark disputes do not  
17 "pose a significant risk of harm to the public health or  
18 interest" and are therefore not the type of deceptive conduct  
19 that the statutes were designed to address. DePinto v. Ashley  
20 Scott, Inc., 635 N.Y.S.2d 215, 217 (App. Div. 1995); accord  
21 Perfect Pearl, 887 F.Supp.2d at 542; DO Denim, LLC v. Fried  
22 Denim, Inc., 634 F.Supp.2d 403, 409 (S.D.N.Y. 2009); Tommy  
23 Hilfiger Licensing, Inc. v. Nature Labs, LLC, 221 F.Supp.2d  
24 410, 413, n.2 (S.D.N.Y. 2002) ("The majority of courts have  
25 held that trademark cases are outside the scope of this general

E4MDDKAPC

1 consumer protection statute."). The alleged "deceptive acts or  
2 practices" of the defendants in this case are precisely the  
3 acts that constitute the alleged trademark infringement, (Am.  
4 Compl. paragraphs 137-38), which are outside the scope of the  
5 statutes. Accordingly, the Sections 349 and 350 claims fail as  
6 a matter of law, and the defendants' motion to dismiss (Claim  
7 VII) is granted.

8 Finally, the plaintiffs bring a claim under New York  
9 State law for unjust enrichment, alleging that the defendants  
10 are unjustly enriched by, among other things, the infringing  
11 use of the trademark. Under New York law, in order to state a  
12 claim for unjust enrichment, the plaintiffs must demonstrate  
13 that they themselves conferred a direct benefit on the  
14 defendants. Segal v. Cooper, 944 N.Y.S.2d 65, 67 (App. Div.  
15 2012); Prime Mover Capital Partners L.P. v. Elixir Gaming  
16 Technologies, Inc., 898 F.Supp.2d 673, 697 (S.D.N.Y. 2012). In  
17 this case, there are no such allegations: the defendants were  
18 enriched only indirectly from the plaintiffs' prior activities  
19 of promoting their marks. Accordingly, the plaintiffs have  
20 failed to state a claim for unjust enrichment under New York  
21 State law.

22 However, under the Lanham Act, 15 Section 1117(a),  
23 "unjust enrichment, warranting an accounting of profits exists  
24 when the defendant's sales were attributable to its infringing  
25 use of the plaintiffs' trademark." Burndy Corp. v. Teledyne

E4MDDKAPC

1 Industries, Inc., 748 F.2d 767, 772 (2d Cir. 1984) (citation  
2 and internal quotation marks omitted); accord Ptak Bros.  
3 Jewelry, Inc. v. Ptak, No. 06 Civ. 13732, 2009 WL 1514469, at 2  
4 (S.D.N.Y. June 1, 2009). To prevail on unjust enrichment  
5 claim, the plaintiffs must demonstrate that the enrichment is  
6 "the fruit of willful deception." George Basch Co., Inc. v.  
7 Blue Coral, Inc., 968 F.2d 1532, 1538 (2d Cir. 1992). In this  
8 case, the plaintiffs have alleged that the defendants'  
9 infringement was willful in that the defendants answer  
10 telephone inquiries from prospective students in "an  
11 intentionally confusing and deceptive manner that callers have  
12 a false impression that they have contacted Manhattan Prep."  
13 (Am. Compl paragraph 57). The plaintiffs have alleged that the  
14 defendants committed their acts of trademark infringement  
15 "willfully." (Am. Compl. paragraph 98.) Hence, the plaintiffs  
16 would be able to recover for unjust enrichment under the Lanham  
17 Act allegations, if they're able to prove them, but the  
18 plaintiffs have not stated a claim under New York State law for  
19 unjust enrichment. Accordingly, the defendants' motion to  
20 dismiss the state law claim of unjust enrichment (Claim VIII)  
21 is granted.

22         The court has considered all of the arguments raised  
23 by the parties. To the extent not specifically addressed, the  
24 arguments are either moot or without merit. For the foregoing  
25 reasons, the defendants' motion to dismiss is granted in part

E4MDDKAPC

1 and denied in part. The clerk is directed to close Docket No.  
2 32.

3 So ordered.

4 All right. How much time for discovery?

5 MS. RUPP: Three or four months, your Honor.

6 MR. PESLAK: Your Honor, if plaintiffs intend to offer  
7 a survey expert or something like that, we may need more time  
8 than three or four months.

9 THE COURT: Well, I would think that you would want to  
10 begin to engage your survey expert promptly, and I don't see  
11 why the survey expert should take four months to design a  
12 survey, take a survey, do a report, and give a deposition.

13 MR. PESLAK: I think we would get a rebuttal expert is  
14 what I've indicated.

15 THE COURT: Are the plaintiffs going to get a survey  
16 expert?

17 MS. RUPP: We need to confer with our client first,  
18 your Honor.

19 THE COURT: Okay. There has been no answer yet,  
20 right?

21 MS. RUPP: That's correct, your Honor.

22 MR. PESLAK: Correct.

23 THE COURT: The defendants shall answer by May 2. All  
24 discovery, including expert discovery, to be completed by  
25 October 3. And you should get your expert interrogatories out,

E4MDDKAPC

1 and talk to each other about scheduling any expert discovery,  
2 because October 3 is the conclusion of all discovery, including  
3 expert discovery.

4 No additional parties or causes of action after --  
5 there aren't going to be any more parties or causes of action?

6 MS. RUPP: No, there are not, your Honor.

7 THE COURT: So I'll put in May 16.

8 No additional defenses after May 30. Dispositive  
9 motions, if any, by October 24. Joint pretrial order by  
10 November 14.

11 Jury trial?

12 MS. RUPP: Yes, your Honor.

13 THE COURT: It sounds like about four days. Ready for  
14 trial on 48 hours' notice on and after December 1.

15 Would the parties agree to try the case before the  
16 magistrate judge?

17 MS. RUPP: I would need to confer with my client  
18 first, your Honor, but we would be able to submit a joint  
19 letter within the next day.

20 THE COURT: Well, sure, I'll give you more time.  
21 May 2.

22 The parties can just send me a letter by May 2,  
23 whether they agree to trial before the magistrate judge and  
24 whether the assistance of the magistrate judge for purposes of  
25 settlement would be useful.

E4MDDKAPC

1           Okay. Anything else?

2           MS. RUPP: No, your Honor. Thank you.

3           MR. PESLAK: No, your Honor. Thank you.

4           THE COURT: Thank you, all.

5           (Adjourned)

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